GOVERNMENT OF INDIA
COMMUNICATIONS
LOK SABHA

UNSTARRED QUESTION NO:3232
ANSWERED ON:19.03.2001
INVESTMENT IN TELECOM EQUIPMENT SECTOR
SURESH RAMRAO JADHAV (PATIL)

Will the Minister of COMMUNICATIONS be pleased to state:

(a) whether the Government have allowed multi-national companies to invest in Telecom Equipment Sector;

(b) if so, the percentage of foreign equity investment allowed in Telecom Equipment Sector;

(c) whether such investment is allowed in manufacturing of Telecom Equipment only or in other activities also; and

(d) the name of such multinational companies which have been allowed to invest in Telecom Equipment Sector?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF COMMUNICATIONS (SHRI TAPAN SIKDAR)

(a) Yes, Sir.

(b) In Telecom equipment manufacturing sector, multinational companies are allowed to invest up to 100% foreign equity and such investment is permitted under automatic route through Reserve Bank of India.

(c) In the telecom services, 49% Foreign direct Investment (FDI) is permitted except a few services where 100% FDI has been allowed. FDI up to 100%, subject to certain conditions, has been allowed for the following activities in the telecom sector:-

1. ISPs not providing gateways (both for satellite and submarine cables);
2. Infrastructure Providers providing dark fibre (IP Category I);
3. Electronic Mail; and
4. Voice Mail.

(d) Major multi-national companies who have been given permission for telecom manufacturing activities in India are :-

Nokia Telecommunications OY Fujikura Ltd. Simoco International Ltd.
Cellstar Singapore PTE Ltd. Samsung Electronics Co. Ltd. NERA AS
Krone AG Casio Telecom Ltd. Lucent Technologies Intl.
Andrew Corporation Alcatel Philips Telecom Ltd.
Motorola Singapore PTE Ltd. Siemens
NEC Corporation ITOCHU Corporation